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Rubber industry hails PM's announcement

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KOCHI: Tyre and rubber industries have welcomed Prime Minister Narendra Modi's promise to include natural rubber in the 'Make in India' initiative but expressed their worry over the move to increase import duty on the commodity.

Import duties on natural rubber in India, the industry alleged, are already among the highest in the world, restricting value-addition in the country and facilitating cheaper import of finished goods from China despite adequate domestic manufacturing capacities, said a press release on Wednesday.

It said: "The axis of tyre manufacturing is shifting to Asia. Indian tyre industry is well-poised to be the true example of 'Make in India'.

However, India is losing out in the race in view of excessive imports and dumping of tyres from China."

Import of tyres is not only hurting the growth of the domestic industry but also hitting the local rubber growers. The consumption of natural rubber has gone down this year which indicated a fall in manufacturing activity.

The Prime Minister's move to encourage domestic rubber-based industry is a welcome step. However, we need to ensure that raw material is available to the industry at internationally competitive prices.

Only then Indian industry can face the challenge of unabated imports, Raghupati Singhania, chairman, Automotive Tyre Manufacturers' Association, said in the statement.